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Statement
Of
Anthem Blue Cross and Blue Shield
On
HB 5446 An Act Concerning Standards For Contracts Between Managed Care Organizations and Physicians.

Good Morning Senator Handley, Representative Sayers and members of the Public Health Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield. I am here today to against **HB 5446 An Act Concerning Standards For Contracts Between Managed Care Organizations and Physicians.**

We are strongly opposed to **HB 5446** because while we realize the goal of the bill is to establish a set of standards for health insurance plans and the providers that they contract with, this bill has numerous and financially crippling problems in the implementation of that goal. Allow me to highlight the problems with this bill section by section.

Section 1(b)(2) would be very costly because currently we send "representative fee schedules" because the "comprehensive fee schedule", which this bill mandates us to send, is extremely costly to mail. Further, by sending the "representative fee schedule" it allows us to easily send modifications to the fee schedule to our providers when the schedules need to be changed. I may also add that in 2006, legislation was passed (Public Act 06-178) to provide physicians a means for getting the 50 codes that they most commonly use as well as other that they may use. That process has been in effect since October 1, 2007 and has been successful.

Section 1(b)(3) would not allow us to change the fee schedule during the contract period and that is completely impractical. Many of the contracts are "evergreen" meaning that our contracts with physicians does not end until one side terminates their participation. Further, does this mean that when we raise a fee schedule, we cannot implement it?

Section 1(b)(4) would be a burden to both our provider partners and us. Currently, our contracts allow us to make changes to the contract with a 30 days written notice to the provider. With thousands of providers – we have over 5000 physician providers and 12,000 ancillary providers - it is not practical to require signatures from both parties to make changes to the contract.

Section 1(b)(5) is also troubling. In 2007, the Legislature passed legislation (07-75) that statutory defined medical necessity. Therefore, what is the point of this section? I might also add that I believe that the CT State Medical Society supported that legislation.

We are also perplexed by Section 3 which establishes a task force to study issues between providers and managed care organizations. Again, in 2006, legislation was passed (PA 06-178) to establish a similar group under the direction of the Insurance Committee. The group has met and fulfilled the legislation that was passed. Does this legislation seek to establish another task force that will look at the same issues that another group is already reviewing?

HB 5445 will severely impact our ability to provide the highest quality of service to our members and we strongly urge the Committee to defeat this legislation.